

OLL Chron

OLL 84-1319  
4 April 1984

## MEMORANDUM FOR:

Chief, Intelligence Law Division  
Office of General Counsel

STAT

## FROM:

Legislation Division  
Office of Legislative Liaison

STAT

## SUBJECT:

Computer Fraud Legislation

## REFERENCE:

a. Memo to C/ILD/OGC from LEG/OLL, dated  
27 March 1984, subject same as above.b. Memo to C/ILD/OGC from LEG/OLL, dated  
14 February 1984, subject same as above.

Attached is a new bill on computer fraud, which was recently introduced into the House. The restrictions on accessing a computer without proper authorization are similar to those computer fraud bills which I transmitted to you in February. This bill was scheduled for markup by the Criminal Justice Subcommittee of the House Judiciary Committee on 5 April, but the markup has been postponed. Please provide me your comments on this bill as soon as possible.

STAT

Attachment:  
As stated

## Distribution:

Original - Addressee  
1 - OLL Chrono  
1 - LEG File: Computer Security  
1 -  Signer  
1 - D/OLL  
1 - DD/OLL

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LEG/OLL:  (4 April 1984)

STAT

98TH CONGRESS  
2D SESSION

# H. R. 5112

To amend chapter 47 of title 18 of the United States Code to provide penalties for fraud and related activities in connection with access devices and computers, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 13, 1984

Mr. HUGHES (for himself, Mr. SAWYER, and Mr. NELSON of Florida) introduced the following bill; which was referred to the Committee on the Judiciary

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## A BILL

To amend chapter 47 of title 18 of the United States Code to provide penalties for fraud and related activities in connection with access devices and computers, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the "Counterfeit Access  
4       Device and Computer Fraud and Abuse Act of 1984".

5       SEC. 2. (a) Chapter 47 of title 18 of the United States  
6       Code is amended by adding at the end thereof the following:

1   **"§ 1029. Fraud and related activity in connection with**  
2                   **access devices**

3           **"(a) Whoever—**

4                   **"(1) knowingly and without lawful authority pro-**  
5           **duces, buys, sells, or transfers a fraudulent access**  
6           **device; or**

7                   **"(2) knowingly produces, buys, sells, transfers, or**  
8           **possesses device-making equipment, with the intent**  
9           **that such equipment be used in the production of a**  
10          **fraudulent access device;**

11          **and thereby affects interstate or foreign commerce, and either**  
12          **obtains by means of such conduct anything of a value aggre-**  
13          **gating \$5,000 or more during any one year period, or pos-**  
14          **sesses ten or more fraudulent access devices in connection**  
15          **with such conduct shall be punished as provided in subsection**  
16          **(c) of this section.**

17          **"(b) Whoever attempts to commit an offense under sub-**  
18          **section (a) of this section shall be punished as provided in**  
19          **subsection (c) of this section.**

20          **"(c) The punishment for an offense under subsection (a)**  
21          **or (b) of this section is—**

22                   **"(1) a fine of not more than \$10,000 or imprison-**  
23          **ment for not more than ten years, or both, if the of-**  
24          **fense is a first offense under subsection (a)(1) of this**  
25          **section or an attempt to commit such an offense;**

1           “(2) a fine of not more than \$50,000 or imprison-  
2           ment for not more than fifteen years, or both, if the  
3           offense is a first offense under subsection (a)(2) of this  
4           section or an attempt to commit such an offense; and

5           “(3) a fine of not more than \$100,000 or impris-  
6           onment for not more than twenty years, or both, in the  
7           case of a second or subsequent offense under this sec-  
8           tion.

9           “(d) The United States Secret Service shall, in addition  
10          to any other agency having such authority, have the authori-  
11          ty to investigate offenses under this section.

12          “(e) As used in this section—

13               “(1) the term ‘access device’ means any card,  
14               plate, code, account number, or other means of account  
15               access existing for the purpose of obtaining, alone or in  
16               conjunction with another access device, money, goods,  
17               services, or any other thing of value, or for the purpose  
18               of initiating a transfer of funds (other than a transfer  
19               originated solely by paper instrument);

20               “(2) the term ‘fraudulent access device’ means  
21               any access device or a representation, depiction, fac-  
22               simile, or component of an access device that is coun-  
23               terfeit, fictitious, altered, forged, lost, stolen, incom-  
24               plete, fraudulently obtained, or obtained as part of a  
25               scheme to defraud;

1           “(3) the term ‘produce’ includes design, alter, au-  
2           thenticate, duplicate, or assemble; and

3           “(4) the term ‘device-making equipment’ means  
4           any equipment, mechanism, or impression specially de-  
5           signed or primarily used, for making an access device,  
6           a false access device, or any component thereof.

7   **“§ 1030. Fraud and related activity in connection with**  
8           **computers**

9           “(a) Whoever—

10           “(1) knowingly accesses a computer without au-  
11           thorization with the intent to execute a scheme to de-  
12           fraud, and by means of such conduct obtains anything  
13           of value (other than the use of the computer) aggregat-  
14           ing \$5,000 or more during any one year period; or

15           “(2) knowingly accesses a computer without au-  
16           thorization and by means of such conduct—

17           “(A) knowingly uses, modifies, or discloses  
18           information in, or prevents authorized use of, such  
19           computer; and

20           “(B) obtains anything of value or creates a  
21           loss to another of a value aggregating \$5,000 or  
22           more during anyone year period;

23   and thereby affects interstate or foreign commerce, shall be  
24   punished as provided in subsection (c) of this section.

1       “(b) Whoever attempts to commit an offense under sub-  
2 section (a) of this section shall be punished as provided in  
3 subsection (c) of this section.

4       “(c) The punishment for an offense under subsection (a)  
5 or (b) of this section is—

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7 ment for not more than ten years, or both, if the of-  
8 fense is a first offense under subsection (a)(1) of this  
9 section, and a fine of not more than \$100,000 or im-  
10 prisonment for not more than twenty years, or both, if  
11 the offense is a second or subsequent offense under  
12 such subsection (a)(1); and

13               “(2) a fine of not more than twice the value ob-  
14 tained or loss created by the offense or imprisonment  
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16 first offense under subsection (a)(2) of this section, and  
17 a fine of not more than twice the value obtained or loss  
18 created by the offense or imprisonment for not more  
19 than twenty years, or both, if the offense is a second or  
20 subsequent offense under such subsection (a)(2).

21       “(d) The United States Secret Service shall, in addition  
22 to any other agency having such authority, have the authori-  
23 ty to investigate offenses under this section.”.

6

1       (b) The table of sections at the beginning of chapter 47,  
2 of title 18 of the United States Code is amended by adding at  
3 the end the following new items:

“1029. Fraud and related activity in connection with access devices.

“1030. Fraud and related activity in connection with computers.”.

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